

## EAST AYRSHIRE COUNCIL

### HOUSING COMMITTEE – 17 MARCH 2004

#### HOUSING CAPITAL PROGRAMME 2003/2004 MONITORING STATEMENT

##### Report by the Director of Homes and Technical Services

### 1. PURPOSE OF REPORT

- 1.1 To advise members of the current status of projects within the Housing Capital Programme 2003/2004 and to set out the current position on relation to financial monitoring and physical progress.

### 2. BACKGROUND

- 2.1 At the meeting on 21<sup>st</sup> May 2003, Housing Committee approved a Capital Programme identified against a number of budgetary subheadings, which took account of the projected income of £9.244m.
- 2.2 At the meeting of 3<sup>rd</sup> September 2003, Committee was advised that projected income for the current financial year had been increased to £10.097m. The increase was due to the inclusion of an allowance for income from adjoining owners effected by the programmed works; confirmation of grant funding from the Scottish Executive in respect of the installation of gas central heating to certain addresses which meet the qualification criteria for the grant; and the carry forward of an underspend from last financial year.
- 2.3 At the meeting of 5<sup>th</sup> November 2003, Committee was advised of an increase in projected income from Council house sales, which enabled a compensating reduction in the C.F.C.R. contribution to the Capital Programme, thereby maintaining the same overall level of funding of £10.097m.
- 2.4 At the meeting of 28<sup>th</sup> January 2004, Committee was advised of a reduction in anticipated income from owner/occupiers for common works and adjoining works, resulting in a revised projected income total of £10.032m.
- 2.5 As the financial year has progressed, there has been a number of changes and modification to the Capital Programme and these have been reported to Committee in the normal manner.

### 3. INCOME

- 3.1 It is necessary to make revision to the projected income to the Capital Programme, as follows:-

#### *Council House Sales*

- 3.2 Legal Services have reported an anticipated increase in income from capital receipts from house sales, resulting in an increase of £0.224m to £2.355m.

#### *Owner/Occupiers*

- 3.3 The anticipated income to the Capital Programme from Owner/Occupiers for common works and adjoining works has been reduced by £0.050m to £0.060m. This is a continuation of the circumstances reported to members at the committee meeting of 28<sup>th</sup> January 2004 whereby delays are being experienced in reaching agreement with the various Owner/Occupiers for the work to proceed, mainly upon those projects where Council grant funding is not made available.
- 3.4 The further consequence of protracted negotiation with Owner/Occupiers is the prevention of work being carried out to the whole of the effected block. Where it has been established that works have to be deferred beyond the currency of the current years programme, alternative addresses which would have been included in the following years programme have been brought forward into current contracts.

#### *Grant Funding*

- 3.5 As previously reported, the Scottish Executive had confirmed that funding would be available to the Council for the installation of gas heating systems in houses where the existing provision did not meet the standard defined by the Executive.
- 3.6 Owing to the restrictions on eligibility criteria and to the success of previous heating programmes, particularly the Councils House Warming 2000 initiative, the number of houses eligible for grant in the current financial year is limited and the anticipated grant award is now set at £203K.
- 3.7 The Council is aware of a residual number of houses (less than 100 in number) throughout the area which would have qualified for funding assistance but where the tenants refused access. Efforts will continue to encourage tenants to permit the Council to install modern systems.

#### *Revised Income Projection*

- 3.8 Taking account of each of the income revisions outlined, the projected income is reduced by £0.131m to £9.901m and is detailed upon the attached monitoring statement.

### **4. CURRENT STATUS**

- 4.1 The attached monitoring statement allows for anticipated changes in expenditure which are required through modification of the Capital Plan.
- 4.2 There are a number of changes to the programme and these currently represent an under commitment of £0.003m.
- 4.3 There are still ongoing works upon the programme that has the potential to be disrupted by exceptionally inclement weather. There is also the potential for addresses to be withdrawn as a result of application to purchase, or other reason, prior to the end of the financial year and at a time where it is impractical to include substitute addresses. These circumstances are not exceptional and have the effect of reducing likely expenditure upon the Capital Programme.
- 4.4 The anticipated expenditure and income figures included within the monitoring statement are consistent with those submitted to the Budget Scrutiny Group.

## **5. DETAILS OF MODIFICATION OF THE CAPITAL PLAN**

### **5.1 Demolitions**

In accordance with normal procedures, prior to commencing demolitions, the presence of known asbestos is taken account of within the respective contract documents. Where there is no record of previous asbestos testing, appropriate tests are carried out. There is no reliable visual predictor for the presence of asbestos, and seemingly similar components can often be found to have differing asbestos contents. The ongoing tests being carried out at Lindsay Drive and Findlayson Drive, Kilmarnock have so far revealed the following, which is likely to be consistent within all blocks:-

<b>Type of Asbestos Found</b>	<b>Location</b>
Chrysotile (white), and Amosite (brown). Chrysotile (white).	Cladding to pipe chases. Water tanks.
Anthophyllite asbestos	Composition of flooring material within communal close areas.

In addition, in random locations, artex having asbestos content is prevalent.

It is necessary to arrange for the removal and disposal of the asbestos contaminated material under controlled conditions prior to the routine demolition works proceeding. Orders have been placed therefore with JB Rhodar Ltd, the Council's term contractor for asbestos removal, to carry out the asbestos removal works.

The effect of having to carry out the asbestos removal works are that the overall costs of clearing the sites of these properties has increased, together with an increase in the time it will take to carry out the work.

## **6. LEGAL/POLICY IMPLICATIONS**

6.1 Nil.

## **7. FINANCIAL IMPLICATIONS**

7.1 The Capital Programme enables the Council to carry out its responsibilities towards its tenants in the maintenance and improvement of the Housing Stock.

## **8. RECOMMENDATIONS**

8.1 It is recommended that Committee:

- a) Note the contents of the report.

James Lavery  
**Director of Homes and Technical Services**  
**2 March 2004**

### **List of Background Papers**

**Nil**

For further information please contact Mr Alan Paterson, Principal Quantity Surveyor, Technical Services, on 01563 555249.

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